



THE CITY OF SAN DIEGO

**SMALL BUSINESS ADVISORY BOARD
MEETING MINUTES**

October 22, 2008
8:45 a.m.

Civic Center Plaza
1200 Third Avenue, Fourteenth Floor Large Conference Room
San Diego, CA 92101

BOARD MEMBERS PRESENT	BOARD MEMBERS ABSENT
Edward Barbat Faith Bautista Kurt Chilcott Dr. Ruben Garcia Michelle Gray Warren Simon Richard Sims Spencer Skeen Chi Tran Tom Woolway	Scott Cummins

CITY STAFF
Steve Bal, Office of Small Business Terrell Breaux, Equal Opportunity Contracting Program Meredith Dibden Brown, Office of Small Business Ron Halbritter, Development Services Department Scott Kessler, Economic Development Division Alicia Martinez-Higgs, Office of Small Business Suzanne Prevost, Office of Small Business

OTHERS PRESENT
Alex Galicia, BPI Plumbing Rashidah Abdul-Khaliq, Muslim Women in Action Robert Mulz, Service Disabled Veteran Owned Businesses Gunnar Schalin, San Diego Contracting Opportunities Center Jodi Waterhouse, University of San Diego A.J. Wilson, Service Disabled Veteran Owned Businesses

Introduction

- Chair Mr. Richard Sims called the meeting to order at 8:55 a.m. A quorum was present.

Approval of Minutes

- The minutes of September 24, 2008 were voted upon and unanimously approved.

Public Comment

- Mr. Gunnar Schalin of San Diego Contracting Opportunities Center (SDCOC) provided a summary of their organization's Fiscal Year (FY) 2008 Final Sponsor Report, noting that they are a Small Business Enhancement Program (SBEP) grant recipient. They attributed over \$66,738,057 in contract awards during the reporting period.

Subcommittee Reports

- Internal: No report.
- External: The Board will need to appoint a member to replace Mr. Sims on the Technical Advisory Committee (TAC).

Economic Development Division/Office of Small Business Report: Meredith Dibden Brown

- They are expecting approval this week to send out the SBEP grant application. There will be a three to four week time frame to complete and return the application. Approximately \$100,000 to \$120,000 in SBEP funds will be available to distribute to non-profit organizations. They anticipate mailing out the applications next week.
- Announced that Mr. Luis Ojeda was recently promoted to Community Development Specialist IV in the Economic Development Division. He is still overseeing the Economic Development and Tourism Support (ED&TS) Program, the self-managed Maintenance Assessment Districts and the Downtown Property Based Improvement District (PBID).
- There was some discussion on the timeframe for contract processing and reimbursements to non-profit organizations, particularly magnified during the current difficult economic situation.
- The three (3) new members recently confirmed by the City Council introduced themselves. The new Board members are: Mr. Edward Barbat, Ms. Michelle Gray, and Mr. Tom Woolway.

Development Services Department (DSD) Report: Ron Halbritter, DSD

- Mr. Ron Halbritter reported that at the Directors meeting for both Adams Avenue and North Park, Councilmember Toni Atkins assured everyone that in her position as the Chair of the Budget Committee, the Small Business Liaison position in DSD, currently occupied by Mr. Halbritter will be funded. The Board will send a letter to Mr. Kelly Broughton, Department Director of DSD requesting that the position be funded and filled when Mr. Halbritter retires.
- Mr. Sims asked if there has been any recent discussion on proposed fee increases. Mr. Halbritter responded that there has been a lot of discussion on fee increases, but didn't know if there was a set date. Mr. Sims stated that any fee increases should not have a disproportionate effect upon small businesses.

- The revisions to the Subcontracting Outreach Program (SCOPE) were approved by the City Council and will go into effect on November 1, 2008.
- To increase more diverse participation in SCOPE, the following changes were implemented:
 - Lowering the threshold of contracts from \$250,000 to \$100,000.
 - Reducing the amount of time to submit SCOPE packages from five days to three days.
 - Making payment to subcontractors if the final summary report is not turned in and of course, there are no issues between the prime contractor and the subcontractor.
- EOCP has participated in numerous outreach events since they attended the SBAB Annual Outreach meeting in August 2008.
- Responsible for the process of the Minor Construction Program (MCP), which was formerly administered by Contracting. The MCP is for contracts under \$100,000. They are in the process of revamping the MCP, because currently there is some overlapping with SCOPE as a result of the recent changes.
- A Construction Expo will be held on Thursday, February 5, 2009 at the Balboa Park Club. Invitees will include construction firms, government entities and other businesses. There will be panel discussions on various topics and information on capital resources.
- Looking at a software package where staff can monitor contractor compliance, subcontractor payments and automatic bid notification. They hope to implement it in January 2009.
- They are looking at different certification programs. They have met with the Council for Supplier Diversity, which provides an educational seminar series on minority-based enterprise (MBE) certification for small business. On technical assistance, they have met with SDCOC, CALTRANS, and the City's Mentor-Protégé Advisory Program.
- The vendor registration database is located in Purchasing. They have identified those that are certified in the Purchasing database. The Diverse Emerging Vendor Outreach (DEVO) Program is currently nonexistent, so there is no certification that is currently being done. For DEVO, businesses would indicate their ethnicity and small business on the form, which was entered into the vendor registration database. It is uncertain where all the DEVO database information is located. Mr. Breaux stated that he will look into the matter and report back to the SBAB.
- To conduct business with the City of San Diego, a business only needs to submit a completed W9 form to be included in the vendor registration database. Mr. Breaux clarified that they do not need to be certified. Ms. Michelle Gray added that the City does recognize CALTRANS certification for those that desire to be certified as a MBE.
- Mr. Sims stated that there needs to be a clarification, noting that currently, the City does not have a diverse supplier program, but it does have a small business program. The issue is the definition of a small business. Ms. Faith Bautista commented that the City should include a diverse minority and disabled veterans differentiation aside from the small business enterprise definition. Staff will invite Mr. Hildred Pepper, the Purchasing and Contracting Department Director to the next Board meeting to discussing issues within Purchasing and Contracting. Mr. Sims stated that the Board can formulate a letter incorporating their recommendations that can be submitted to Mr. Pepper and to the Mayor and City Council.

Selection of New Board Chair and Vice-Chair: Richard Sims

- The two year terms of the Chair, currently occupied by Mr. Sims and the Vice-Chair, currently occupied by Mr. Warren Simon have expired.
- Board members agreed to email their confidential nominations of Chair and Vice-Chair to Mr. Steve Bal, who would then ask each of the nominated individuals if they are interested in serving in that role. The Chair and Vice-Chair would be determined by those receiving the most nominations for each of the positions.

Recognition of Richard Sims: Scott Kessler, Economic Development Division (EDD)

- Mr. Kessler, Department Director of EDD presented a proclamation from the Mayor's Office to Mr. Sims in recognition of his 10 years of service to the SBAB and his contributions to the small business community.

Business Improvement District Council Report: Warren Simon, Hillcrest Association

- Reported that December Nights will be held this year on December 5 and 6 at Balboa Park.

Presentation on Service Disabled Veteran Owned Businesses (SDVOB): Robert Mulz and A.J Wilson, Elite SDVOB Network

- Four people started SDVOB in San Diego over fifteen years ago. In San Diego, they now have a network of over 275 small business members.
- Reported that the SDVOB is an all volunteer group. In California, they use the name Disabled Veteran Business Enterprise (DVBE), which is certified by the State of California.
- They want to keep autonomy amongst the states, cities and local regions, because some of their business partners such as government entities are reliant on SDVOB to produce the correct and qualified companies.
- In addition to the SBEP funds they received from the City, everything else received is donated.
- They have gained support from most of the utility companies. In the past year they created a Joint Utilities Council in which the utilities interface with the service disabled veterans. They held a large outreach event with all of the contractors from San Diego Gas and Electric, Pacific Gas and Electric, Sempra, and Southern California Edison. Their last event was held at the North Island Naval Base. From the event alone, it returned several million dollars.
- Their next event will be the 4th Annual Pre-Veteran's Day Event and Golf Classic held on November 4 and 5, 2008.

Small Business Roundtable Recommendations

- Board members continued their discussion from last month's meeting on the issues and recommendations that were compiled and summarized from the Small Business Roundtable meeting held on July 23, 2008. The recommendations will be incorporated into a report on the state of the small business in San Diego that will be presented to the Mayor and City Council.

- **Mr. Spencer Skeen motioned for the Board to approve the adoption of the following recommendations from the Small Business Roundtable for the Annual Report:**

- 1.) Find alternative funding sources, such as the SBA Community Express Loans (7A), Patriot Express Loans (reserved for military, veterans and their spouses), and from micro-lending and nonprofit organizations.**
- 2.) Provide funding for a small business resource directory and/or develop a clearinghouse community bulletin board of small business resource information that would be maintained; Increase funding for nonprofit organizations that serve as small business technical assistance centers; and remove barriers to funding opportunities.**
- 3.) SCOPe should be maintained as it currently exists, so that statistical data reports on contracts and contract opportunities will accurately reflect the participation of small businesses.**
- 5.) Request the City to enclose a notice with each business tax certificate that is mailed, informing the business owner that they are not grandfathered in and that they may not necessarily be ADA/Title 24 compliant. Additionally, a notice (electronic or print) providing a list of small business resources should be included.**

The motion was voted upon and unanimously approved.

Members agreed to forward the following recommendations to the External Committee for further review and discussion:

- 4.) Establish business incubators/executive centers in different geographic areas of San Diego for entrepreneurs starting their small business, including families and young entrepreneurs (college and high school level).**
- 6.) There should be a diverse supplier system that focuses upon small businesses.**

Meeting Adjournment

- The meeting was adjourned at 10:10 a.m.